

OFFICE OF INSPECTOR GENERAL

(dollars in millions)

	<u>2000 Actual</u>	<u>2001 Enacted</u>	<u>2002 Request</u>	<u>Request +/-Enacted</u>
Program Level 1.....	\$151	\$164	\$186	+\$22
FTE	1,374	1,524	1,680	+156

1/ The FY 2002 level assumes \$150 million for Medicare and Medicaid related fraud and abuse activities, the maximum allowed under the Health Care Fraud and Abuse Control program.

SUMMARY

For FY 2002, the Office of Inspector General (OIG) requests a discretionary appropriation of \$36 million, an increase of \$2 million above the FY 2001 discretionary level. The OIG will also receive between \$140 and \$150 million in FY 2002 from the Health Care Fraud and Abuse Control (HCFAC) Account for Medicare and Medicaid related fraud and abuse activities.

The OIG's statutory mission is to improve HHS programs and operations and protect them against fraud, waste and abuse. By conducting independent and objective audits, evaluations, and investigations, OIG provides timely, useful, and reliable information and advice to HHS officials, the Administration, the Congress and the public.

In the FY 2001-FY 2002 period, the OIG will use its discretionary funding to continue its work across the non-Medicare and non-Medicaid areas of HHS, which are public health, children and families, aging and department-wide activities.

INCREASING COLLECTIONS IN THE CHILD SUPPORT ENFORCEMENT PROGRAM

The OIG will expand its multi-agency task forces to identify, investigate, and prosecute individuals who willfully avoid payment of their child support obligations under the Child Support Recovery Act. These task forces bring together State and local law enforcement and prosecutors, United States Attorneys' Offices, the OIG, U.S. Marshal Service personnel, the Federal Bureau of Investigations, State and county child support personnel, and all other interested parties from the 25 states covered by the task forces. Through March 7, 2001, the OIG has opened over 1,329 child support cases nationwide resulting in 361 convictions, and court-ordered restitution of nearly \$22 million in payments to custodial parents. The Child Support Task Forces have resulted in an additional 264 arrests on the State level and 220 convictions or civil adjudications, resulting in \$8.6 million in restitution.

PUBLIC HEALTH PRIORITIES

The OIG plans to conduct audits and inspections of programs and activities at HHS public health agencies. Programs experiencing increased funding may be more vulnerable to mismanagement, fraud, or abuse. The OIG also will focus on program effectiveness issues, such as the Food and Drug Administration's oversight responsibilities in clinical trials, and the National Institutes of Health's process for providing biomedical technology developed in its intramural laboratories to the private sector to facilitate transfer of Federal technology to the marketplace. In addition, it will investigate referrals from the Office of Research Integrity, and assess such cross-cutting activities as agencies' compliance with the directive on critical infrastructure protection.

The OIG also will examine States' strategies for addressing the substance abuse treatment needs of welfare recipients, particularly treatment programs funded through Substance Abuse and Mental Health Services Administration grants.

SAFE AND STABLE FAMILIES

Recent studies requested by the Congress found that approximately one million American children are victims of abuse and neglect annually and that many of these children and their families fail to receive adequate protection and treatment.

The OIG will determine whether State Child Protective Service referrals were properly prioritized and resolved and whether any service delays could result in further occurrences of child abuse and/or neglect. The OIG will examine recidivism rates and the extent of State outreach efforts to alert the community to the problem of child abuse. In foster care programs, the OIG will examine States' processes, efforts and challenges in eligibility determinations for foster care services and the Medicaid program, preventing abuse when children

are in foster care, and recruitment of foster care parents.

AGENCY MANAGEMENT

The OIG plans to conduct audits of the data collection and measurement systems used for HHS agencies' performance measures to test for reliability and validity of the data. In particular, the OIG will examine the use of State-supplied data by the Administration for Children and Families for performance measurement, including measures for Temporary Assistance for Needy Families.

The OIG also will work to fulfill specific statutory obligations, such as annual evaluations of the security programs and practices of HHS information systems.

HEALTH CARE FRAUD AND ABUSE

Through the Health Insurance Portability and Accountability Act, the OIG receives mandatory funding for its activities that focus on fraud, abuse and efficiency improvements in the Medicare and Medicaid programs. The Act provides for minimum and maximum amounts of funding that are decided each year by the Secretary of HHS and the Attorney General. The OIG works with the Health Care Financing Administration (HCFA), other HHS agencies and the Department of Justice to ensure that funds due to the Medicare Trust Fund or HCFA are recovered through audits and investigations, and provides recommendations for statutory, regulatory and program changes that could strengthen program integrity.